

Washington State Auditor's Office

Audit Report

Ferry Conservation District No. 36 Ferry County

Audit Period
January 1, 1997 through December 31, 1999

Report No. 61338

Issue Date
May 26, 2000



Washington _____
State Auditor

Brian Sonntag

Audit Summary

Ferry Conservation District No. 36 Ferry County January 1, 1997 through December 31, 1999

ABOUT THE AUDIT

This report contains the results of our three-year independent audit of Ferry Conservation District No. 36 for the period January 1, 1997, through December 31, 1999.

We performed audit procedures to determine whether the District complied with state laws and regulations and its own policies and procedures. We also audited the financial statements and evaluated the internal controls established by District management. Our work focused on specific areas that had potential for abuse or misuse of public resources.

RESULTS

The District complied with state laws and regulations and its own policies. The District generally had sufficient internal controls in place to safeguard assets. We also found the District's financial statements were complete and accurate.

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Ferry County
January 1, 1997 through December 31, 1999**

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Description of the District

Ferry Conservation District No. 36 Ferry County January 1, 1997 through December 31, 1999

ABOUT THE DISTRICT

Ferry Conservation District No. 36 assists landowners in voluntarily improving their land. The District operates on an annual budget of \$169,951 and employs three people. A five-member Board of Supervisors, three elected and two appointed, each serving a three-year term, governs the District.

ELECTED AND APPOINTED OFFICIALS

These officials served during the audit period:

Board of Supervisors:

Elected:

Ken Grumbach

Jim Nash

Ed Windsor

Appointed:

Dean Fischer

Gail Kuehne

District Manager (appointed)

Randy Williams

ADDRESS

District

P.O. Box 1045
Republic, WA 99166-1045
(509) 775-3473

Audit Areas Examined

Ferry Conservation District No. 36 Ferry County January 1, 1997 through December 31, 1999

In keeping with general auditing practices, we do not examine every portion of Ferry Conservation District No. 36's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the District were examined during this audit period:

LEGAL COMPLIANCE

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Open Public Meetings Act
- Ethics/conflict of interest laws
- Legal and supported payments
- Public records requests

INTERNAL CONTROL

We evaluated the following areas of the District's internal control structure:

- Cash receipting
- Purchasing

FINANCIAL AREAS

In addition to the financial-related work listed in other categories, we audited the following areas:

- Revenues
- Cash
- Expenditures
- Investments
- Overall presentation of the financial statements

Audit Overview

Ferry Conservation District No. 36 Ferry County January 1, 1997 through December 31, 1999

AUDIT HISTORY

We audit the District every three years. There were no findings during the prior 1994-96 audit. During the current audit, no conditions were noted that were significant enough to report as findings.

The District has been very receptive and responsive to our recommendations. Management appears committed to strong internal controls and compliance with laws and regulations.

CONCLUSIONS

In the areas examined, we found the District complied with state laws and its own policies and procedures. The District generally had sufficient internal controls in place to safeguard assets.

We thank District officials and personnel for their assistance and cooperation throughout the audit.

Independent Auditor's Report on Compliance with State Laws and Regulations

Ferry Conservation District No. 36 Ferry County January 1, 1997 through December 31, 1999

Board of Supervisors
Ferry Conservation District No. 36
Republic, Washington

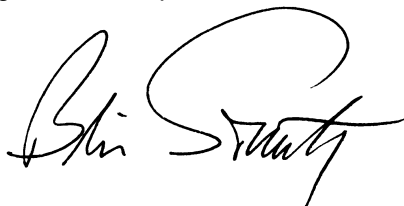
We have audited the financial statements of Ferry Conservation District No. 36, Ferry County, Washington, as of and for the years ended December 31, 1999, 1998 and 1997, and have issued our report thereon dated May 1, 2000.

We also performed tests of compliance with state laws and regulations as required by *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the District complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office.

Compliance with these requirements is the responsibility of the District's management. Our responsibility is to make a reasonable effort to identify any instances of misfeasance, malfeasance or nonfeasance in office on the part of any public officer or employee and to report any such instance to the management of the District and to the Attorney General. However, the objective of our audit of the financial statements was not to provide an overall opinion on compliance with these requirements. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the applicable laws and regulations referred to in the preceding paragraphs. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management and the Board of Supervisors and to meet our statutory reporting obligations. This report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



BRIAN SONNTAG, CGFM
STATE AUDITOR

May 1, 2000

Independent Auditor's Report on Financial Statements

Ferry Conservation District No. 36 Ferry County January 1, 1997 through December 31, 1999

Board of Supervisors
Ferry Conservation District No. 36
Republic, Washington

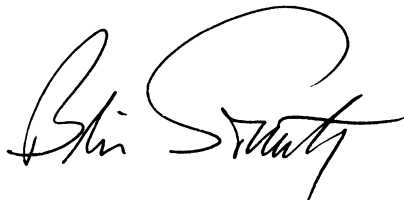
We have audited the accompanying financial statements of Ferry Conservation District No. 36, Ferry County, Washington, for the years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, the District prepares its financial statements on the cash basis of accounting that demonstrates compliance with Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the recognized revenues and expenditures of the funds of Ferry Conservation District No. 36 for the years ended December 31, 1999, 1998 and 1997, on the cash basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of State Financial Assistance are presented for purposes of additional analysis. These schedules are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.



BRIAN SONNTAG, CGFM
STATE AUDITOR

May 1, 2000

Financial Statements

**Ferry Conservation District No. 36
Ferry County
January 1, 1997 through December 31, 1999**

FINANCIAL STATEMENTS

Resources and Uses Arising from Cash Transactions – 1999, 1998 and 1997
Notes to Financial Statements – 1999, 1998 and 1997

ADDITIONAL INFORMATION

Schedule of State Financial Assistance – 1999
Schedule of State Financial Assistance – 1998
Schedule of State Financial Assistance – 1997